Agri-News

Iowa Agricultural Statistics Service

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HIGHLIGHTS

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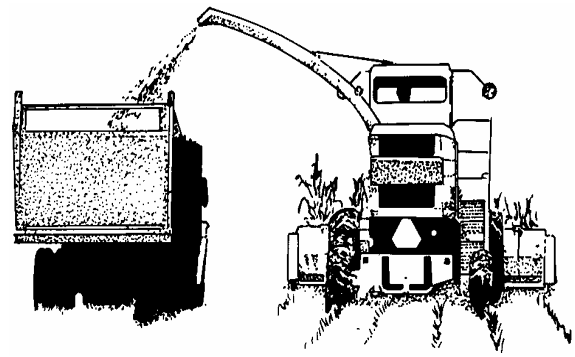
October 1 Crop Production – U.S.



Iowa Crop Production, October 1

IOWA: As September closed, harvest was underway for corn and soybeans. Soybean development continues ahead of average while corn lags slightly behind average.

Corn: As of October 1, Iowa's corn crop was forecast to yield 180.0 bushels per acre. If realized, the yield will be 23.0 bushels above last year and 17.0 bushels above 2002's record yield of 163.0 bushels per acre. Production is forecast at 2.21 billion bushels for the state, up 18 percent from last year. Forecasted ear counts per acre (27,550) are the highest on record when compared to final counts. Harvest is underway with 7 percent complete on September 30, behind both the previous year and the average pace.

Soybeans: The October 1 yield forecast of 47.0 bushels per acre is up 7 bushels from the September 1 forecast, and up 14.5 bushels per acre from 2003. If realized, soybean production would be 477.1 million bushels, up 39 percent from last year. Soybean harvest was 35 percent complete on September 30, ahead of the previous year as well as the average pace.

October 1, 2004, Production Summary - Iowa and United States

Crop	For harvest		Yield per acre		Production	
	2003	2004[1]	2003	2004[1]	2003	2004[1]
	Thousand acres		Bushels		Thousand bushels	
IOWA						
Corn for grain	12,000	12,300	157.0	180.0	1,884,000	2,214,000
Soybeans	10,550	10,150	32.5	47.0	342,875	477,050
Alfalfa Hay[2]	1,330	1,300	3.70	4.30	4,921	5,590
All Other Hay[2]	270	300	2.20	2.60	594	780
UNITED STATES						
Corn for grain	71,139	73,311	142.2	158.4	10,113,887	11,613,226
Soybeans	72,476	73,990	33.9	42.0	2,453,665	3,106,861
Alfalfa Hay[2]	23,578	22,226	3.24	3.48	76,307	77,371
All Other Hay[2]	39,764	39,363	2.03	2.25	80,816	88,549

[1] Preliminary. [2] Yield in tons and production in thousand tons.

ECONOMIST CORNER

Livestock by John Lawrence
and
Grains by Robert Wisner

Iowa Cooperative Extension Service - Ames

LIVESTOCK

Pork supplies will set a new record in 2004, but demand for pork has pushed prices higher. Prices set a new record for the last week of September at $62.45/cwt live weight. Record production and price at the same time is not the norm. After losses in 24 out of 27 months between November 2001 and January 2004, producers have had nine consecutive months of profits and the streak is likely to continue. However, weekly slaughter over 2.3 million head expected this fall could test the industry's ability to process and merchandise the product. Look for barrow and gilt prices to decline seasonally into the mid-$40s or lower by Thanksgiving, but return to upper $40s by the end of the year.

The cattle market typically moves seasonally higher through the fall of the year on a reduced supply of market ready cattle. This fall price increases have been a struggle. Supplies are larger than a year ago, but still well below the 5-year average and the 2002 record pace. Weekly slaughter is low, but cattle on feed inventories are still higher than 2003 as are average carcass weights. There is also significant competition from record pork supplies and fall features of poultry. Choice steers are forecast to average in the mid-upper $80s, however breakeven for many of these cattle will be over $90. Feeder cattle prices should remain strong through the fall. However, continued losses in the feedlot may dampen the spring rally on feeder cattle after the first of the year.

GRAIN

Storage space is likely to be quite tight during the last 15 to 20 percent of the corn harvest and will put pressure on the corn basis. Grain traders are assuming the November and/or January corn production estimates will decline from the October crop report—due to October 2-4 freeze damage across the northern third of the Corn Belt. That expectation may help stabilize futures prices into early November. Cash prices are likely to be slow but will increase in the first month or two after harvest, as elevators use up outside piles. From December onward, price trends will take direction from weekly export sales reports. In mid-October, cumulative corn export sales were running sharply below other years when season total exports were near or above 2 billion bushels. To support the projected 2.08 billion bushel marketing year exports, weekly corn export sales will need to consistently be in the 1.3 to 1.6 million ton (51 to 63 million bushel) range for several months.

The huge soybean crop is likely to limit price strength into mid- to late winter unless weather problems develop in South America's Soybean Belt. History suggests the chances of that are rather low. Combined U.S. and South American soybean production is projected to exceed last year by an incredibly large 1.26 billion bushels. Modest price strength appears likely into January, but major strength looks quite doubtful. Price prospects during late March and April will depend heavily on the size of the South American crop. With normal yields, spring price strength may be quite modest.

Average Prices Received by Farmers for Farm Products

Item	Unit	Iowa Sep.[1] 2003	Iowa Aug.[1] 2004	Iowa Sep.[2] 2004	U.S. Aug.[1] 2004	U.S. Sep.[2] 2004
		- - - - - - - - - - Dollars - - - - - - - - - -				
Corn	bu	2.13	2.23	2.00	2.34	2.13
Oats	bu	1.49	1.34	1.35	1.33	1.33
Soybeans	bu	6.06	6.80	5.65	6.83	5.77
Alfalfa, Baled	ton	79.00	84.00	85.00	97.40	95.50
All Hay, Baled	ton	78.00	81.00	84.00	89.80	87.70
All Hogs	cwt	38.70	57.20	57.10	55.40	53.70
Sows	cwt	32.50	47.00	41.40	46.90	41.60
Brws & Gilts	cwt	38.80	57.40	57.40	55.90	54.30
Beef Cattle	cwt	85.90	87.30	83.00	88.90	86.30
Cows	cwt	46.80	53.10	49.00	54.70	52.80
Strs & Hfrs	cwt	86.70	88.00	83.70	92.50	89.80
Calves	cwt	107.00	117.00	120.00	131.00	129.00
Milk Cows [3]	hd	--	--	--	--	--
Milk (whls)	cwt	15.00	15.90	16.00	15.00	15.10
Sheep	cwt	38.00	42.70	--	38.50	--
Lamb	cwt	87.20	92.00	--	97.80	--
Eggs (mkt)	doz	0.549	0.29	0.30	0.334	0.351

[1]Corn, oats, soybeans, all hogs, all cattle, all sheep, and milk are whole-month prices. All hay and eggs are mid-month prices. [2]All prices are mid-month. [3]Prices published January, April, July, and October.

Price Index Summary Table

Prices Received	IOWA Sep. 2003	IOWA Aug. 2004	IOWA Sep.[1] 2004	UNITED STATES Sep. 2003	UNITED STATES Aug. 2004	UNITED STATES Sep.[1] 2004
	1990-92=100[2]					
Prices rec'd.	99	113	105	111	120	114
Crops	100	109	95	111	118	111
Lvstk Prods.	98	118	115	110	123	118
	1910-14=100[3]					
Prices rec'd.	--	--	--	704	764	725
Crops	--	--	--	548	581	547
Lvstk Prods.	--	--	--	847	940	902

[1]Preliminary. [2]1990-92=100 reference replaced 1977=100 in January 1995. [3]Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Sep. 2003	Aug. 2004	Sep. 2004	Sep. 2003	Aug. 2004	Sep. 2004
	1990-92=100			1910-14=100		
Prices paid[1]	128	134	133	1707	1780	1769
Feed	112	113	102	546	554	499
Ratio[2]	87	90	86	41	43	41

[1]Prices paid by farmers for commodities and services, interest, taxes, and farm wage rates. [2]Ratio of index of prices received to index of prices paid for commodities and services, interest, taxes, and farm wage rates.

U.S. Corn and Soybean Supply and Demand

CORN	2002/ 2003	2003/ 2004 (Est.)	2004/05[1] Projections October
	Million bushels		
Beginning stocks	1,596	1,087	958
Production	8,967	10,114	11,613
Imports	14	13	15
Supply, total	**10,578**	**11,214**	**12,586**
Feed & Residual	5,563	5,781	6,050
Food, Seed, & Industrial	2,340	2,575	2,770
Domestic, total	**7,903**	**8,356**	**8,820**
Exports	1,588	1,900	2,075
Use, total	**9,491**	**10,256**	**10,895**
Ending stocks, total	**1,087**	**958**	**1,691**
Avg. market price ($/bu)	2.32	2.42	1.75-2.15

SOYBEANS	2002/ 2003	2003/ 2004 (Est.)	2004/05[1] Projections October
	Million bushels		
Beginning stocks	208	178	112
Production	2,756	2,454	3,107
Imports	5	6	6
Supply, total	**2,969**	**2,638**	**3,225**
Crushings	1,615	1,530	1,645
Exports	1,044	885	1,025
Seed	89	92	89
Residual	41	19	61
Use, total	**2,791**	**2,526**	**2,820**
Ending stocks, total	**178**	**112**	**405**
Avg. market price ($/bu)	5.53	7.34	4.70-5.50

[1] Preliminary.

Iowa District Estimates

Corn, 2003-2004[1] / Soybeans, 2003-2004[1]

District	Corn Harvested 2003	Corn Harvested 2004[2]	Corn Yield/acre 2003	Corn Yield/acre 2004[3]	Corn Production 2003	Corn Production 2004	Soybeans Harvested 2003	Soybeans Harvested 2004[2]	Soybeans Yield/acre 2003	Soybeans Yield/acre 2004[3]	Soybeans Production 2003	Soybeans Production 2004
	Thousand acres		Bushels		Thousand bushels		Thousand acres		Bushels		Thousand bushels	
NW	1,804	1,844	163.5	188.0	295,000	346,675	1,704	1,630	36.6	48.0	62,388	78,240
NC	1,717	1,773	164.2	177.0	282,000	313,825	1,480	1,400	31.7	43.0	46,913	60,200
NE	1,393	1,435	153.6	177.0	214,000	254,000	927	885	27.2	46.0	25,174	40,710
WC	1,742	1,810	152.1	178.0	265,000	322,200	1,655	1,595	33.7	48.0	55,742	76,000
C	1,774	1,794	168.0	187.0	298,000	335,500	1,550	1,505	33.4	48.0	51,739	71,640
EC	1,268	1,300	168.8	183.0	214,000	237,900	975	940	32.4	45.0	31,581	42,560
SW	965	989	128.5	168.0	124,000	166,150	976	940	29.9	50.0	29,206	46,800
SC	485	502	127.8	166.0	62,000	83,350	510	495	27.5	44.0	14,001	21,580
SE	852	853	152.6	181.0	130,000	154,400	773	760	33.8	52.0	26,131	39,320
STATE	12,000	12,300	157.0	180.0	1,884,000	2,214,000	10,550	10,150	32.5	47.0	342,875	477,050

[1] Preliminary. [2] Harvest for grain. [3] Yield rounded.

Corn for Grain: Number of Ears per Acre Selected States, 2000-04[1]

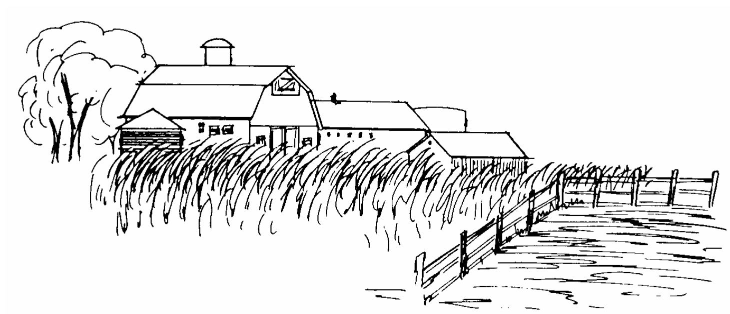
State	2000	2001	2002	2003	2004[2]
	- - - - - - - - - - -	- - - - - -	Number of Ears	- - - - - -	- - - - - - - - - - -
Illinois	25,450	25,550	25,000	26,650	27,400
Indiana	24,650	25,400	23,650	25,350	25,950
Iowa	25,650	25,250	25,800	26,600	27,550
Minnesota	27,250	26,700	26,100	28,600	29,250
Nebraska	22,750	22,050	21,200	22,600	24,000
Ohio	24,100	25,100	22,350	25,750	26,000
Wisconsin	25,550	26,100	25,250	26,250	27,150

[1] Based on ear counts in plots selected for objective yield samples. [2] Preliminary.

Corn Production Up 6 Percent from September Forecast
Soybean Production Up 10 Percent

Corn production is forecast at 11.6 billion bushels, up 6 percent from last month and 15 percent above 2003. Based on conditions as of October 1, the yield is expected to average 158.4 bushels per acre, up 9.0 bushels from September and 16.2 bushels above last year. If realized, both production and yield would be the largest on record. The previous record for both was set last year when production was estimated at 10.1 billion bushels and yield was 142.2 bushels per acre. Yields are forecast at record high levels in all Corn Belt States, except Minnesota and Wisconsin, as weather conditions have been mostly favorable throughout the growing season. Based on administrative information, acreage updates were made in several States and farmers now expect to harvest 73.3 million acres of corn for grain, down 66,000 acres from September but up 3 percent from 2003.

Soybean production is forecast at 3.11 billion bushels, up 10 percent from the September forecast and 27 percent above 2003. If realized, this would be the largest U.S. soybean crop on record. Based on conditions as of October 1, yield is expected to average a record high 42.0 bushels per acre, up 3.5 bushels from September. Below-normal temperatures and adequate moisture during August and early September across most of the Corn Belt, Great Plains, and Delta were beneficial to the crop during the final stages of development. Above-normal temperatures followed, during the rest of September, just in time for the beginning of the harvest season. Based on administrative data, acreage updates were made in several States. Area planted is now estimated at 75.1 million acres, up 256,000 acres from the August estimate. Area for harvest is forecast at 74.0 million acres, up 335,000 from September.



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